

NUMBER OF STORES

Number of stores in operation end of each year since
incorporation in 1912.

Year	Stores
1912.	85
1913.	101
1914.	118
1915.	139
1916.	160
1917.	164
1918.	170
1919.	174
1920.	184
1921.	200
1922.	211
1923.	234
1924.	257
1925.	306
1926.	367
1927.	435
1928.	506

OFFICERS

S. S. KRESGE	Chairman of the Board
C. B. VAN DUSEN	President and General Manager
R. R. WILLIAMS	Vice-President-Merchandising
P. T. EVANS	Vice-President-Store Management
H. H. SERVIS	Vice-President-Real Estate
C. B. TUTTLE	Treasurer
R. A. BELL	Secretary
A. J. McINTYRE	Comptroller



DIRECTORS

S. S. KRESGE, C. B. VAN DUSEN
 C. B. TUTTLE, R. R. WILLIAMS, H. H. SERVIS
 P. T. EVANS, F. R. WERTMAN, R. A. BELL
 Detroit, Michigan
 CHAS. E. MERRILL,
 New York City

ANNUAL REPORT

S. S. Kresge Company
(A MICHIGAN CORPORATION)

and

Subsidiary Companies



***Year ending December thirty-first
nineteen hundred twenty-eight***

RECORD OF SALES

(Exclusive of Subsidiaries)

The Sales of S. S. Kresge Co. and the earnings on its Common Stock since its organization have been as follows:

1912 Sales..\$	10,325,487.84	Earnings on \$5,000,000	11.51%
1913 " ..\$	13,258,227.59	" "	..14.68%
1914 " ..\$	16,097,393.63	" "	..20.43%
1915 " ..\$	20,943,300.85	" "	..23.34%
*1916 " ..\$	26,396,547.84	" \$10,000,000	19.92%
*1917 " . \$	30,090,700.37	" "	..17.21%
*1918 " ..\$	36,309,513.47	" "	..15.61%
*1919 " ..\$	42,668,060.91	" "	..21.40%
*1920 " . \$	51,245,311.23	" "	..26.14%
*1921 " ..\$	55,859,010.57	" \$16,101,200..	21.07%
*1922 " ..\$	65,191,467.12	" \$18,228,200..	35.52%
*1923 " ..\$	81,843,233.06	" \$24,517,933.	38.14%
*1924 " ..\$	90,096,248.85	" \$24,527,933..	40.66%
*1925 " ..\$	105,965,610.24	" \$36,786,197.	31.73%
*1926 " ..\$	119,218,005.05	" \$36,786,197	33.60%
*1927 " ..\$	133,765,777.43	" \$36,786,197	37.61%
*1928 " ..\$	147,363,022.25	" \$36,786,197..	42.14%

*Earnings shown are after provision is made for the payment of War Excess Profits and Income Taxes.

CONSOLIDATED BALANCE .

ASSETS

PROPERTY ACCOUNT

Land, buildings and machinery, etc., at cost less depreciation.	\$36,525,809.55	
Furniture and fixtures and per- manent improvements at cost, less depreciation.....	29,451,118.55	
Together	\$65,976,928.10	
Leaseholds, less amortization..	634,267.04	
		<u>\$66,611,195.14</u>

CURRENT ASSETS

Inventories (cost or market, whichever is lower).....	\$16,459,174.77	
Accounts receivable.....	273,456.19	
Investment in Bonds:		
U. S. Liberty		
Loan.....	\$809,326.97	
Federal Land		
Bank.....	460,235.32	
Industrial.....	145,976.25	
Foreign govern- ment.....	48,375.00	1,463,913.54
Certificates of deposit, etc....	4,160,000.00	
Cash on hand and in banks...	7,774,004.02	30,130,548.52
Deferred charges to future opera- tions.....		3,915,677.48
		<u>\$100,657,421.14</u>

BALANCE SHEET, December 31, 1928

LIABILITIES

CAPITAL STOCK

7% Cumulative Preferred (Authorized, 50,000 shares) par value—\$100.00, 20,000 shares..	\$2,000,000.00
Common (Authorized 10,000,000 shares) par value \$10.00—3,678,619 7/10 shares.....	36,786,197.00
	\$38,786,197.00
Mortgages and land contracts payable.....	15,513,419.08

CURRENT LIABILITIES

Accounts payable.....	\$ 4,832,976.26
Accrued interest and taxes....	638,000.38
Provision for Federal income tax	2,156,380.17
Reserve for contingencies.....	71,888.49
	7,699,245.30
Surplus.....	38,658,559.76
	\$100,657,421.14

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING DECEMBER 31, 1928

Sales (including subsidiaries)	\$147,465,447.61	
Rentals and interest received	708,145.47	
		<u>\$148,173,593.08</u>
<i>Deduct:</i> Cost of sales, selling and general ex- penses		<u>127,654,959.84</u>
Profit before deducting in- terest charges, deprecia- tion, amortization and pro- vision for Federal Income Tax		\$ 20,518,633.24
<i>Deduct:</i>		
Interest charges	\$ 217,305.13	
Depreciation and amor- tization	2,548,474.90	
Provision for Federal Income Tax	2,110,000.00	
		<u>\$ 4,875,780.03</u>
Net profit for the year 1928		<u><u>\$ 15,642,853.21</u></u>

CONSOLIDATED SURPLUS ACCOUNT AT DECEMBER 31, 1928

Surplus January 1, 1928 . . .	\$ 29,041,339.15
Net profit for the year 1928 (as above)	<u>15,642,853.21</u>
Together	\$ 44,684,192.36
<i>Deduct:</i> Dividends paid (in cash):	
On preferred stock—7% \$ 140,000.00	
On common stock—16% . 5,885,632.60	
	<u>\$ 6,025,632.60</u>
Surplus December 31, 1928 . .	<u><u>\$ 38,658,559.76</u></u>

AUDITOR'S CERTIFICATE

We have examined the books and accounts of the S. S. Kresge Company and its subsidiary companies for the year ended December 31, 1928, and certify that, in our opinion, the following Consolidated Balance Sheet is correctly prepared therefrom and is properly drawn up so as to show the financial position of the combined companies at that date.

(Signed) PRICE, WATERHOUSE & CO.,

Detroit, Michigan, January 25, 1929.